

**QUONSET/DAVISVILLE MANAGEMENT CORPORATION**  
**MEETING OF BOARD OF DIRECTORS**

**PUBLIC SESSION**  
**MINUTES**

**December 13, 2004**

**A meeting of the Board of Directors of the Quonset/Davisville Management Corporation (the “Corporation”) was held at 4:00 p.m. on Monday, December 13, 2004 at the offices of the Rhode Island Economic Development Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.**

**The following directors constituting a quorum were present and participated throughout the meeting as indicated: David Darlington, Daryl E. Dayian, Raoul Holzinger, Michael McMahon, Anthony F. Miccolis, Jr., Alfred Passarelli, John Patterson, M. Paul Sams, Dennis Webster and Senator J. Michael Lenihan.**

**Directors absent were: Doug Mancosh, Representative Melvoid Benson, Representative Kenneth Carter and Senator James Sheehan.**

## **1. CALL TO ORDER**

**The meeting was called to order at 4:00 p.m. by Chairman McMahon.**

## **2. APPROVAL OF MINUTES**

**Upon motion duly made by Mr. Patterson and seconded by Mr. Miccolis, the Board:**

**VOTED: To approve the minutes of the meeting held on November 15, 2004 as presented to the Board.**

**Voting in favor were: Mr. Darlington, Mr. Dayian, Mr. Holzinger, Mr. Miccolis, Mr. Passarelli, Mr. Patterson and Mr. Sams**

**Voting against were: none.**

**Unanimously approved.**

## **3. MANAGING DIRECTOR'S REPORT**

**Mr. Grout provided the Managing Director's report and noted that negotiations in connection with the Electric Boat Corporation Lease have been concluded and that as part of the meeting additional information on the Lease will be provided to the Board. In addition,**

negotiations with the Town of North Kingstown regarding the Pilot Agreement have also been completed. The staff is continuing its work in connection with the separation issues. The RFI with respect to the Gateway proposal has been sent to over 2,000 addressees.

#### **4. RECOMMENDATION            REGARDING            ELECTRIC            BOAT CORPORATION LEASE.**

Mr. Grout reviewed the terms of the Electric Boat Corporation Lease. The new Lease would be for a term of fourteen (14) years with rent at the annual rate of \$1,200,000 for the first seven (7) years and \$1,350,000 for the second seven (7) years. The Lease is a triple net lease and it is anticipated that Electric Boat Corporation will make additional investments in the Leased Premises over the term of the Lease. The Lease provides for a job credit of \$500.00 per employee over 2,000 employees with an annual cap on the credit of \$350,000. The Lease provides that the Tenant may terminate the Lease upon twenty-four (24) months prior notice after January, 2012. The Tenant will also be responsible for its share of the pilot payments.

Mr. Grout also noted that Electric Boat Corporation was exercising its option as set forth in the Option Agreement dated March 1, 1999 between The Economic Development Corporation and Electric Boat Corporation. The option covers approximately thirteen (13) acres of land and the price being paid is \$1,080,000. The proceeds of the sale will be used to perform demolition on property which will be included

**under the Electric Boat Corporation Lease.**

**Senator Lenihan inquired with respect to the job credit as to why the base for the credit is 2,000 jobs when it appears that the current employment levels are 2,100. Mr. Grout reviewed the negotiations as they related to job credit and pointed out that Electric Boat anticipates that the employment levels may actually decline over the next few years. Mr. Webster inquired as to whether the price for the 13 acre option parcel was below current asking prices for property. Mr. Grout indicated that the option price was agreed to in 1999 when the Option Agreement was signed and we did not have the ability to negotiate the price at this time.**

**Senator Lenihan asked what the effect would be on Electric Boat Corporation if the Groton, Connecticut base were closed. Mr. Grout indicated that Electric Boat felt that the Groton base was important but that they could continue to operate if the base were closed.**

**Upon motion duly made by Mr. Darlington and seconded by Mr. Sams, the Board:**

**VOTED: To recommend the Lease with Electric Boat Corporation substantially on the terms set forth in the transaction approval and as described to the Board.**

**Voting in favor were: Mr. Darlington, Mr. Dayian, Mr. Holzinger, Mr.**

**Miccolis, Mr. Passarelli, Mr. Patterson and Mr. Sams**

**Voting against were: none.**

**Unanimously approved.**

## **5. RECOMMENDATION REGARDING PILOT AGREEMENT WITH THE TOWN OF NORTH KINGSTOWN.**

**Mr. Grout reported that the North Kingstown Town Council has approved the Pilot Agreement. The terms of the Agreement were reviewed by Mr. Grout.**

**Upon motion duly made by Mr. Darlington and seconded by Mr. Holzinger, the Board:**

**VOTED: To recommend approval of the Pilot Agreement with the Town of North Kingstown in the form that was submitted to the Board.**

**Mr. Patterson and Mr. Miccolis recused themselves from the vote and did not participate in any of the discussion relating to the Pilot Agreement.**

**Voting in favor were: Mr. Darlington, Mr. Dayian, Mr. Holzinger, Mr.**

**Passarelli and Mr. Sams**

**Voting against were: none.**

**Unanimously approved.**

## **6. RELEASE OF EXECUTIVE SESSION MINUTES.**

**Following discussion, the Board upon motion duly made by Mr. Darlington and seconded by Mr. Holzinger:**

**VOTED: To release Executive Session Minutes of the Corporation through November 15, 2004**

**Voting in favor were: Mr. Darlington, Mr. Dayian, Mr. Holzinger, Mr. Miccolis, Mr. Passarelli, Mr. Patterson and Mr. Sams**

**Voting against were: none.**

**Unanimously approved.**

## **7. REMARKS OF THE CHAIRMAN.**

**Mr. McMahon thanked all of the Board Members for their service on the Board and noted that significant progress had been made over**

**the last two (2) years which was due in no small part to the leadership demonstrated by members of the Board. Senator Lenihan expressed his thanks to his fellow members and to the staff of the corporation for their support during his years of service.**

**There being no further business to come before the Board, the meeting was adjourned at 4:35 p.m. upon motion duly made by Mr. Darlington and seconded by Mr. Patterson.**

**Respectfully submitted by:**

**W. Geoffrey Grout, Secretary**